SkyWorld Development Sdn Bhd & Anor v SkyWorld Holdings Sdn Bhd & Ors

COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02(IPCV)(W)-383–02 OF 2019
HAMID SULTAN, HANIPAH FARIKULLAH AND KAMALUDIN MD SAID JJCA
20 JANUARY 2020

Trade Marks — Infringement of registered trade mark and passing off — Likelihood of confusion or deception — Whether appellants had proven that respondents infringed their registered trade mark and committed tort of passing off — Whether claim for unlawful interference with trade was also made out — Whether appellants failed to prove they suffered loss or damages as a result of respondents' actions

The issue in this appeal was whether the respondents' use of the word 'Skyworld' in the names of their companies, in their internet address (domain name) as well as in the name of a theme-park they intended to develop in Sabah infringed the appellants' registered trademarks of that name in Class 37 and whether they had also committed the torts of passing off and unlawful interference with trade. The appellants were in the business of real estate and property development and owned and used the 'SkyWorld' mark since 2014. The first to fourth respondents ('the corporate respondents') were incorporated in 2017 and were in the business of tourism. The appellants sued the respondents for trademark infringement, passing off and unlawful interference with trade on the premise their use of the name 'SkyWorld' in their trade/business so closely resembled the appellants' registered trademarks that it was likely to cause consumers to be deceived or confused. The High Court dismissed the appellants' claims holding that: (a) the marks used by the respondents were visually different from the appellants' registered trademarks and whatever similarity that existed between the two marks was not likely to cause deception or confusion; (b) any similarity of the respondents' mark to the registered trademarks was coincidental; and (c) the appellants had failed to prove trademark infringement under s 38 of the Trade Marks Act 1976 ('the TMA') and failed to show that their goodwill and reputation in their registered trademark was well-known enough to prove the tort of passing off. In their instant appeal against the decision, the appellants argued that the trial judge's verdict was wrong both in law and on finding of facts. Inter alia, the appellants submitted that the trial judge had not considered the fact that the respondents, being the later users of the 'Skyworld' mark, had failed to prove that their adoption of that name was made in good faith and not to misrepresent. The respondents had also not explained why they chose the name 'Skyworld' for

A their corporate names, domain name and the theme-park project and, therefore, it was wrong for the trial judge to come to the conclusion that any similarity between the marks used by the disputing parties was purely coincidental. The respondents argued that in order to constitute trade mark infringement under s 38 of the TMA, the infringing mark had to be used 'upon or in relation to goods or services' of the infringer since s 38 was intended to prevent the public from being deceived or confused into thinking that goods and services of the infringer belonged to the registered proprietor of the trademark. The respondents therefore argued that there could not be infringement simply because an entity used a company or trade name that was identical or similar to another entity's registered trademark because the usage was not 'in relation to goods or services'. The respondents also submitted that the registration of their companies using the name 'Skyworld' was valid since the Registrar of Companies ('ROC') had allowed the registration without protest. The appellants replied that since they were already in existence when the respondents were incorporated, the ROC should have refused the respondents' application to register their companies using the name 'Skyworld' under ss 25(2) and 26 of the Companies Act 2016 on the ground that name was identical to the appellants' names. In any case, the appellants contended that just because the ROC had allowed the registration of the corporate respondents did not mean the appellants were precluded from bringing the action for trademark infringement.

Held, unanimously allowing the appeal, allowing the appellants' claims and setting aside the High Court's decision:

(1) The appellants had established all the elements constituting trademark infringement under s 38 of the TMA against the respondents. The use of the infringing names by the corporate respondents was likely to cause deception or confusion as they were aurally and visually similar to the SkyWorld registered trademarks. The corporate respondents had used the infringing names as a trademark in the course of their trade as defined under s 3(1) and (2) of the TMA (see paras 65 & 74).

(2) The appellants had established by incontrovertible evidence that the legitimacy of the Sky World City project in Sabah was suspect; that it was the subject of police investigations as a fraudulent activity. The respondents were not genuine traders but tortfeasors attempting to ride on the appellants' goodwill in the SkyWorld name and mark. The respondents had infringed the registered trademarks to prey on unsuspecting investors to invest in a project that was not approved by the authorities. The trial judge failed to consider this crucial evidence when dismissing the appellants' claims (see paras 80–81).

(3) The trial judge failed to appreciate that the appellants had the requisite goodwill in the SkyWorld name and mark, through their extensive and

substantial advertising and promotional activities and investments, to establish a claim for passing off. There was no requirement that the goodwill had to be well-known. The appellants were only required to show that the business identifiers (in this case the SkyWorld names and marks) were distinctive of the appellants. The law imposed an obligation on the corporate respondents as a business newcomer to ensure that no confusion arose from the use of the infringing names or marks. The respondents clearly failed to discharge this obligation given that they were in the same or allied field as the appellants. Once the appellants had established their claims for trademark infringement and/or passing off, the claim for the tort of unlawful interference with trade was made out as a natural consequence (see paras 89 & 91–92).

(4) The corporate respondents were engaged in a business that was 'allied' to the appellants' business. Both parties were involved in real property development (the respondents, for tourism purposes). Therefore, the respondents' use of the infringing names and marks inevitably amounted to a misrepresentation. The appellants and respondents were in competition with each other and therefore damages were readily inferable. However, there was no evidence that the appellants had suffered any loss or damage caused by the respondents (see paras 60–61, 68 & 96).

(5) Except for the use of the word 'Skyworld', the names of the corporate respondents were not identical to the appellants' names; hence, there was no contravention of s 26(2) of the Companies Act 2016. The ROC's power under s 26(2) did not extend to refusing an application for registration of a company on the ground the company's name offended any existing trademark registered under the TMA (see paras 52–53).

[Bahasa Malaysia summary

Isu dalam rayuan ini adalah sama ada penggunaan perkataan 'SkyWorld' oleh responden dalam nama-nama syarikat mereka, dalam alamat internet mereka ('nama domain') dan juga dalam nama taman tema yang mereka berhasrat untuk dibangunkan di Sabah telah melanggar tanda dagangan berdaftar perayu-perayu yang mana nama tersebut dalam Kelas 37 dan sama ada mereka juga telah melakukan tort kelirupaan dan campur tangan dagangan tidak sah. Perayu-perayu menjalankan perniagaan hartanah dan pembangunan hartanah dan memiliki serta menggunakan tanda 'SkyWorld' sejak 2014. Responden-responden pertama sehingga keempat ('responden korporat') telah diperbadankan pada 2017 dan menjalankan perniagaan pelancongan. Perayu-perayu telah menyaman responden-responden kerana pelanggaran tanda dagangan, kelirupaan dan campur tangan dagangan tidak sah atas premis penggunaan nama 'SkyWorld' oleh mereka dalam dagangan/perniagaan mereka sangat menyerupai tanda dagangan berdaftar perayu sehingga menyebabkan pengguna tertipu atau keliru. Mahkamah Tinggi menolak

dakwaan-dakwaan perayu-perayu yang menyatakan bahawa: (a) tanda yang digunakan oleh responden-responden adalah berbeza secara visual daripada tanda dagangan berdaftar perayu-perayu dan apa sahaja persamaan yang wujud antara kedua-dua tanda tersebut tidak bermungkinan menyebabkan penipuan atau kekeliruan; (b) apa-apa persamaan tanda responden-responden dengan tanda dagangan berdaftar itu adalah kebetulan; (c) perayu telah gagal membuktikan pelanggaran tanda dagangan di bawah s 38 Akta Tanda Dagangan 1976 ('ATD') dan gagal menunjukkan bahawa nama baik dan reputasi mereka dalam tanda dagang berdaftar mereka adalah cukup terkenal untuk membuktikan tort kelirupaan. Dalam rayuan mereka ini terhadap keputusan tersebut, perayu-perayu berhujah bahawa keputusan hakim perbicaraan itu salah dari segi undang-undang dan juga dapatan fakta. Antara lain, perayu-perayu mengemukakan bahawa hakim perbicaraan tidak mempertimbangkan fakta bahawa responden-responden, yang merupakan pengguna yang kemudian untuk tanda 'SkyWorld', telah gagal membuktikan bahawa penggunaan nama itu dibuat dengan niat baik dan bukan untuk memberi gambaran yang salah. Responden-responden juga tidak menjelaskan mengapa mereka memilih nama 'SkyWorld' untuk nama korporat mereka, nama domain dan projek taman tema mereka dan, oleh itu, adalah salah bagi hakim perbicaraan untuk membuat kesimpulan bahawa ada persamaan antara tanda yang digunakan oleh pihak-pihak yang dipertikaikan adalah kebetulan semata-mata. Responden-responden berpendapat bahawa untuk berlaku pelanggaran tanda dagang di bawah s 38 ATD, tanda yang dilanggari itu harus digunakan 'upon or in relation to goods or services' oleh pelanggar kerana s 38 bertujuan untuk mencegah orang awam ditipu atau keliru memikirkan bahawa barang dan perkhidmatan pelanggar adalah milik pemilik tanda dagangan yang berdaftar. Oleh itu, responden-responden berpendapat bahawa tidak ada pelanggaran hanya kerana entiti menggunakan nama syarikat atau dagangan yang sama atau serupa dengan tanda dagangan berdaftar entiti lain kerana penggunaannya tidak 'in relation to goods or services'. Responden-responden juga menyatakan bahawa pendaftaran syarikat-syarikat mereka menggunakan nama 'SkyWorld' adalah sah kerana Pendaftar Syarikat ('PS') telah membenarkan pendaftaran tersebut tanpa bantahan. Perayu-perayu menjawab oleh kerana mereka sudah pun wujud semasa responden-responden diperbadankan, PS sepatutnya menolak permohonan responden-responden untuk mendaftarkan syarikatsyarikat mereka menggunakan nama 'Skyworld' di bawah ss 25(2) dan 26 dari Akta Syarikat 2016 atas alasan bahawa nama itu sama dengan nama perayu. Walau apapun, perayu berpendapat bahawa hanya kerana PS telah membenarkan pendaftaran korporat responden-responden tidak bermaksud perayu-perayu dilarang mengemukakan tindakan untuk pelanggaran tanda dagangan.

Diputuskan, sebulat suara membenarkan rayuan, membenarkan tuntutan perayudan mengetepikan keputusan Mahkamah Tinggi:

(1) Perayu-perayu telah membuktikan semua elemen yang merupakan pelanggaran tanda dagangan di bawah s 38 ATD tersebut terhadap responden-responden. Penggunaan nama-nama yang melanggar oleh responden-responden korporat kemungkinan menyebabkan penipuan atau kekeliruan kerana ia serupa secara visual dan visual dengan tanda dagangan berdaftar SkyWorld. Responden korporat telah menggunakan nama-nama yang melanggar sebagai tanda dagangan sepanjan dagangan mereka sepertimana ditafsirkan di bawah s 3(1) dan (2) ATD tersebut (lihat perenggan 65 & 74).

(2) Perayu-perayu telah membuktikan dengan keterangan yang tidak dapat disangkal bahawa kesahihan projek Sky World City di Sabah disyaki; bahawa ia menjadi subjek penyiasatan polis sebagai aktiviti penipuan. Responden tersebut bukan peniaga tulen tetapi penipu yang cuba menggunakan nama baik dan tanda SkyWorld. Responden-responden telah melanggar tanda dagangan yang didaftarkan untuk mencari mangsa pelabur yang tidak curiga untuk melabur dalam projek yang tidak disetujui oleh pihak berkuasa. Hakim perbicaraan telah gagal mempertimbangkan keterangan penting ini ketika menolak tuntutan perayu (lihat perenggan 80–81).

(3) Hakim perbicaraan telah gagal memahami bahawa perayu memiliki nama baik yang diperlukan dalam nama dan tanda SkyWorld, melalui aktiviti dan pelaburan iklan dan promosi mereka yang meluas dan substansial, untuk membuktikan tuntutan untuk kelirupaan. Tiada keperluan untuk nama baik itu harus terkenal. Perayu-perayu hanya dikehendaki menunjukkan bahawa pengecam perniagaan (dalam hal ini nama dan tanda SkyWorld) adala berbeza dengan perayu-perayu. Undang-undang meletakkan tanggungjawab ke atas responden-responden korporat sebagai pendatang baru untuk memastikan bahawa tidak timbul kekeliruan dari penggunaan nama atau tanda yang melanggar. Responden-responden jelas telah gagal melaksanakan tanggungjawab ini kerana mereka berada dalam bidang yang sama atau sekutu dengan perayu-perayu. Setelah perayu-perayu mengemukakan tuntutan mereka atas pelanggaran tanda dagangan dan/atau kelirupaan, tuntutan untuk campur tangan tidak sah terhadap dagangan telah dibuat sebagai akibat semula jadi (lihat perenggan 89 & 91–92).

(4) Responden-responden korporat telah terlibat dalam perniagaan yang 'allied' dengan perniagaan perayu. Kedua-dua pihak terlibat dalam pembangunan harta tanah (responden, untuk tujuan pelancongan). Oleh itu, penggunaan nama dan tanda yang dilanggar oleh responden-responden tidak dapat dielakkan sama dengan penyataan yang salah. Perayu-perayu dan responden-responden bersaing antara satu sama lain dan oleh itu ganti rugi dapat diberikan. Namun, tiada

keterangan bahawa perayu telah mengalami kerugian atau kerosakan yang disebabkan oleh responden-responden (lihat perenggan 60–61, 68 & 96).

(5) Kecuali penggunaan kata 'Skyworld', nama responden korporat tidak sama dengan nama perayu; oleh itu, tidak ada pelanggaran s 26(2) Akta Syarikat 2016. Kuasa PS di bawah s 26(2) tidak termasuk menolak permohonan pendaftaran syarikat dengan alasan nama syarikat itu melanggar mana-mana tanda dagangan yang telahpun ada didaftarkan di bawah ATD tersebut (lihat perenggan 52–53).]

Cases referred to

AG Spalding Brothers v AW Gamage, Ltd [1914-1915] All ER Rep 147, HL (refd)

Adam Opel AG v Autec AG [2007] IP & T 408; [2007] ECR I-1017 (refd)

Ahmad Najib bin Aris v PP [2009] 2 MLJ 613; [2009] 2 CLJ 800, FC (folld)

Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA [2016] 9 MLJ 466, HC (refd)

Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal [2016] 5 MLJ 768, CA (refd)

Anheuser-Busch Inc v Budejovicky Budvar, narodni podnik (2004) C-245/02; [2004] ECR 1-10989 (refd)

Arsenal Football Club plc v Reed (2002) C-206/01 (refd)

Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd [2008] MLJU 1101; [2009] 8 CLJ 97, HC (refd)

Avnet Inc v Isoact Ltd [1998] FSR 16 (refd)

Ayamas Convenience Store Sdn Bhd v Ayamas Sdn Bhd [1994] MLJU 583; [1995] 1 CLJ 133, HC (refd)

Beautimatic lnernational Ltd v Mitchell International Pharmaceutical Ltd and Another [2000] FSR 267 (refd)

CDL Hotels International Ltd v Pontiac Marina Pte Ltd [1998] 2 SLR 550, CA (refd)

Celine SARL v Celine SA (2007) C-17/06 (refd)

Clinique Laboratories, LLC v Clinique Suisse Pte Ltd and another [2010] 4 SLR 510, HC (refd)

Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd [1993] 1 MLJ 55; [1996] 2 BLJ 519, HC (refd)

Consitex SA v TCL Marketing Sdn Bhd [2008] 3 MLJ 574; [2008] 8 CLJ 444, HC (refd)

Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd [2010] 8 MLJ 500, HC (refd)

Dun & Bradstreet (Singapore) Pte Ltd & Anor v Dun & Bradstreet (Malaysia) Sdn Bhd [1994] 1 MLJ 32, HC (refd)

Eastman Photographic Materials Co Ltd v John Griffiths Cycle Corpn Ltd and

Kodak Cycle Co Ltd, Re Trade Mark No 207006 (1898) 15 RPC 105, CA (refd)
Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia [1998] 4 MLJ 105, HC (refd)
Ellora Industries vs Banarsi Das Goela and Ors AIR 1980 Delhi 254, HC (refd)
Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd [1986] 1 MLJ 130 (refd)
F&N Dairies (Malaysia) Sdn Bhd v Tropicana Products, Inc and other appeals [2013] MLJU 1591, CA (refd)
Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd (2016) 118 IPR 239, FC (refd)
Gan Yook Chin (P) & Anor v Lee lng Chin @ Lee Teck Seng & Ors [2005] 2 MLJ 1, FC (refd)
Gnanasegaran a/l Pararajasingam v PP [1997] 3 MLJ 1, CA (refd)
Hew Chai Seng (t/a Pertiland Trading Co) v Metronic Integrated System Sdn Bhd & Anor [2017] 7 MLJ 1, HC (refd)
Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener) [2015] 4 MLJ 166, FC (refd)
Hu Kim Ai (berniaga sebagai Geneve Timepiece) and Anor v Liew Yew Thoong (berniaga sebagai Crystal Hour) [2005] MLJU 389, HC (refd)
Insight Radiology Pty Ltd v Insight Clinical Imaging Pty Ltd (2016) 122 IPR 232, FC (refd)
Intel Corp v lntelcard Systems Sdn Bhd & Ors [2004] 1 MLJ 595, HC (refd)
Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor [2018] 1 MLJ 175; [2018] 1 CLJ 287, FC (refd)
Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise [2009] 3 MLJ 525; [2009] 8 CLJ 130, HC (refd)
Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party) [2015] 6 MLJ 465, FC (refd)
Mutiara Rini Sdn Bhd v The Corum View Hotel Sdn Bhd (previously known as The Curve Hotel Sdn Bhd) [2016] 7 MLJ 771, HC (refd)
Panhard et Levassor SA v Panhard-Levassor Motor Co Ltd (1901) 18 RPC 405, HC (refd)
Pianotist Co's Application, Re [1906] 23 RPC 774 (refd)
Poddar Tyres Ltd vs Bedrock Sales Corporation Ltd AIR 1993 Bom 237, HC (refd)
Reckitt & Colman Products Ltd v Borden Inc [1990] 1 WLR 491, HL (refd)
Revertex Ltd & Anor v Slim Rivertex Sdn Bhd & Ors [1991] 1 MLJ 508, HC (refd)
Robelco NV v Robeco Groep NV [2002] C-23/01 (refd)
Saville Perfumery Ltd v June Perfect Ltd [1941] RPC 147, CA (refd)
Seet Chuan Seng & Anor v The Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770; [1994] 3 CLJ 7, SC (refd)
Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358; [2004] 3 CLJ 815, CA (refd)

A *Standard Chartered Bank v Mukah Singh* [1996] 3 MLJ 240, HC (refd)
Syarikat Wing Heong Meat Product Sdn Bhd v Wing Heong Food Industries Sdn Bhd & Ors [2010] 7 MLJ 504, HC (refd)
The Commissioners of Inland Revenue v Muller & Co's Margarine Ltd [1901] AC 217, HL (refd)
B *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63, SC (refd)
Tong Guan Food Products Pte Ltd v Hoe Huat Hing Foodstuff Pte Ltd [1991] 2 MLJ 361; [1991] 3 CLJ 2001, CA (refd)
Trinity Group Sdn Bhd v Trinity Corporation Berhad [2012] MLJU 1800; [2012] 1 LNS 929, HC (refd)
C *White Hudson & Co v Asian Organization Ltd* [1965] MLJ 186, PC (refd)
Y-TEQ Auto Parts (M) Sdn Bhd v X1R Global Holding Sdn Bhd (formerly known as Quantum Global Far East) & Anor [2017] 2 MLJ 609, CA (refd)
Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2012] 1 MLJ 585, CA (refd)
D *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609, FC (refd)
YouView TV Ltd v Total Ltd [2012] EWHC 3158 (Ch), ChD (refd)

E **Legislation referred to**

Companies Act 1965 (repealed by the Companies Act 2016) s 22
Companies Act 2006 [UK] ss 10(4), 69
Companies Act 2016 ss 25(2), 26, 26(1)(a), (1)(b), (1)(c), (2), 29
Evidence Act 1950 s 90, 90A(2), (4)
F Housing Development (Control And Licensing) Act 1966
Trade Marks Act 1976 ss 3(1), (2), 38, 40(1)
Trade Marks Act 1994 [UK] s 10

G **Appeal from**: Civil Suit No WA-22IP-30–05 of 2018 (High Court, Kuala Lumpur)

Teo Bong Kwang (CW Wong and Eugene Ee Fu Xiang with him) (Chang Haryaty) for the appellants.
Bani Prakash (Santhi, Deva Premila and Sheila Menon with him) (S San & Co)
H *for the respondent.*

Kamaludin Md Said JCA:

INTRODUCTION

I

[1] This is the appellants/plaintiffs' appeal against the whole of the High Court's decision which dismissed the appellants/plaintiffs' claims against the respondents/defendants for trade mark infringement, passing off and unlawful interference with trade.

[2] The parties shall hereinafter be referred to as they were at the High Court. **A**

[3] The plaintiffs are the registered owner of the *SkyWorld registered trade marks* in Class 37 as follows: **B**

C

and

D

E

[4] The plaintiffs' claim that the word 'SkyWorld' is a prominent feature of the SkyWorld registered trade marks. In addition, the word 'SkyWorld' forms part of the plaintiffs' company names and started using the 'SkyWorld' marks in 2014. **F**

[5] The first to fourth defendants ('corporate defendants') were all incorporated in 2017. The corporate defendants have been using the marks/words 'Skyworld' and 'Sky World' in relation to their company names, domain name as well as for their purported 'Sky World City Sabah' project. **G**

[6] The plaintiffs brought an action against the corporate defendants for using the marks/words 'Skyworld' and 'Sky World' in relation to their company names, domain name as well as for their purported 'Sky World City Sabah' project. Hence, the defendants' corporate name had infringed the plaintiff's registered trademarks 'SkyWorld'. In addition, plaintiffs claim against the defendants for passing off the plaintiffs business, products and/or services by the use in the course of trade of the SkyWorld registered trade marks, names, website and domain name and unlawful interference with trade. **H** **I**

[7] At the High Court, the plaintiffs' case is essentially that the defendants' corporate names and website domain name are infringing in that they so nearly

resemble the plaintiffs' registered trade marks as are likely to deceive or cause confusion in the course of the defendants' carrying out their business of developing the Sky World City project. The learned judge had dealt with the plaintiffs' claim in a full trial and delivered his decision in favour of the defendants. The grounds of judgment are found at pp 30–88 in *rekod rayuan* (*Jld* 1 – *Bahagian* A).

DECISION OF THE HIGH COURT

[8] The issue in this case is whether the defendants has used the plaintiffs' trade mark in the course of trade without consent and the unlawful usage of the trade mark owned by the plaintiffs has caused deception or confusion among the prospective customers. It is the plaintiffs' case that the defendants' corporate names and website domain name are infringing in that they so nearly resemble the plaintiffs' registered trade marks as are likely to deceive or cause confusion in the course of the defendants' carrying out their business of developing the Sky World City project.

[9] The learned judge ascertained the deception or confusion of trademarks based on the case of *Consitex SA v TCL Marketing Sdn Bhd* [2008] 3 MLJ 574; [2008] 8 CLJ 444 which had cited Parker J's decision in the well-known case of *Re Pianotist Co's Application* [1906] 23 RPC 774. The test in determining whether a mark is 'likely to deceive or cause confusion' is to judge the two words by their look and by their sound and considered all the surrounding circumstances.

[10] The Federal Court case of *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609, held that it is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products came from the same source. Further, the more well-known or unusual a trademark, the more likely is that consumers might be confused into believing that there is a trade connection between goods or services bearing the same or a similar mark.

[11] Further, the plaintiffs' registered trade marks are composite marks and one of them is a stylish verbal mark visually comprising of the word SkyWorld (specifically with the letters 's' and 'w' spelt in uppercase letter) with a stroke underneath the word 'sky' together with the phrase 'design the experience'. The other one of them has the same characteristics but with additional four Chinese characters underneath the phrase 'design the experience'.

[12] The learned judge found that there is no resemblance between them whatsoever. The principal similarity is in the defendants' corporate name and

domain name and the plaintiffs' registered trade marks arising from the word 'skyworld' audibly. In other words, the plaintiffs contention is that the 'Skyworld' and 'Sky World' marks are the defendants' corporate name and domain name however the learned judge saw that they are visually different because the defendants' corporate name in their business documents as well as their web site domain name used the word 'skyworld' either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiffs' registered trade marks.

[13] The learned judge's made an observation that registered trade marks 'SkyWorld' are not the plaintiffs' registered as word marks which might have otherwise conferred monopoly on them on the word 'skyworld'. He was of the further view from the evidence adduced by the plaintiffs in their projects advertisement that the dominant mark in the trade names used by them is the only the word 'Sky' with a wavy underline beneath it as seen in all their project names SkyArena, SkyAwani, etc.

[14] In ascertaining whether there has been the likelihood of deception or confusion is depending on the all the circumstances of each case, the learned judge had referred to several authorities put forth before him and his position is that it centers on the degree of similarness as well as the associated business usage of the marks especially the consumer knowledge and association with them. The test is objective one (see the Singapore Court of Appeal case of *Tong Guan Food Products Pte Ltd v Hoe Huat Hing Foodstuff Pte Ltd* [1991] 2 MLJ 361; [1991] 3 CLJ 2001 which has been followed by the Court of Appeal in *Yong Sze Fun & Anor (t/a Perindutrian Makanan & Minuman Layang-Layang v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585). It was also held that it is sufficient that a substantial proportion of persons who are probably purchasers of the goods of the kind in question would in fact be confused. Whether or not there is misrepresentation is always a question of fact to be determined by the court in the light of evidence of surrounding circumstances. The impression is entirely a matter for the judgment of the court and not that of the witnesses.

[15] As to similarity in the trade marks audibly and hence likely tendency to cause deception or confusion, the learned judge relied on the Brunei High Court case of *Ayamas Convenience Store Sdn Bhd v Ayamas Sdn Bhd* [1994] MLJU 583; [1995] 1 CLJ 133 where Deny Roberts CJ held that it is not sufficient only to show that a company has been registered with a name similar to a trade mark (though this was not the same, as there has been no use of the chicken logo). It is necessary to show an actual or likely infringement. This the plaintiff has failed to do.

[16] In this case it is not disputed the word 'skyworld' is identical audibly

based on the test enunciated in *Re Pianist Co Ltd Application*. In the Supreme Court case of *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63, there are two features of the two marks which are similar, namely, red in colour and split in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that there is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background colour with the picture of a lady and a man. The learned judge was of the opinion that the *Tohtonku* case did not lay down the proposition that there is overriding conclusion of infringement if the words are identical. It instead suggested that the marks must be compared as a whole, both audibly and visually. This was likewise done in the later celebrated trade mark cases of *Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd* [2010] 8 MLJ 500 as well as *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia* [1998] 4 MLJ 105 where the marks are audibly similar.

[17] In this case, the learned judge was satisfied that the word 'skyworld' phonetically per se is the essential or striking feature of the plaintiffs' marks. He went on to consider the business activity of the parties in determining whether the average discerning consumer could be misled by associating one with the other. The first plaintiff is basically involved in the business of real estate property development. From the documentary evidence produced by the plaintiffs, they develop residential properties primarily in the Klang Valley, West Malaysia for sale to the public pursuant to the Housing Development (Control And Licensing) Act 1966. The plaintiffs' registered trade marks are also registered in Class 37 accordingly.

[18] The defendants on the other hand are involved in the business of tourism and is presently embarking on its maiden Sky World City project in Karambunai, Sabah, East Malaysia. From the documentary evidence produced by the defendants, the Sky World City project is a tourism theme park project. It has been described by the defendants as (a universal theme park that features replicas of landmarks and iconic buildings from countries around the globe. Visitors will be able to relive their travel experiences thorough each individual pavilions.

[19] The learned judge considered the defendant business that despite there are residential accommodation buildings planned to be built in the Sky World City project, he found there are probably hotels to accommodate the tourists

but not buildings for sale to the public. He also took into account that the fifth defendant applied to register the defendants' 'S' Trade Mark in various classes but not in Class 37. The fifth defendant on 23 April 2018 applied to register the following trade mark in Class 9, 16, 28, 35, 36, 38, 41, 42, 43 and 44:

[20] Based on that fact, the learned judge concluded that the prospective customers of the plaintiffs and defendants amongst the public at large are not likely to be deceived or confused by reason of the stark difference in the business of the respective parties. He held that the imperfect recollection of these customers is neither relevant nor cogent here as far as the trade name is concerned. Likewise, it was found that there was no confusion in the case of *Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd* [2008] MLJU 1101; [2009] 8 CLJ 97 because the characteristics of purchasers of residential units there were different. The cases of *Sinma Medical Poducts (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358 and *Trinity Group Sdn Bhd v Trinity Corporation Berhad* [2012] MLJU 1800; [2012] 1 LNS 929 amongst several others relied by the plaintiffs were distinguished on the facts particularly because the parties were competing in the same business and marketplace. In those circumstances, the learned judge was satisfied and found the defendants' corporate name and domain name as used in connection with the Sky Wold City project are unlikely to deceive and cause confusion in the course of trade in which the plaintiffs' registered trade marks are registered. A similar result was achieved in the *Ayamas* case.

[21] The learned judge had also considered the two emails adduced by the plaintiffs from a Gopal and a John Smith in attempting to show that the public was actually confused. However, both Gopal and John Smith were not called as witnesses at the trial and the learned judge accordingly draw any reasonable inference from the circumstances relating to the document including the manner and purposes of its creation as well as accuracy pursuant to s 90 of the Evidence Act 1950. He found the emails dubious because the emails are perfunctory and without disclosure of their relationship with the plaintiffs. It appears to him to be merely two busy-bodies. Accordingly, he discarded both emails.

[22] The learned judge was of the view that if the plaintiffs had intended to show there was actual confusion, it would have been more cogent for the plaintiffs to appoint an independent consultant to undertake a market survey and analysis of the state of affairs relating to confusion based on an adequately acceptable sample size. Consequently, the learned judge held that the plaintiffs

particularly the first plaintiff who is the only plaintiff that has legal standing to sustain the cause of action of trade mark infringement has not proved that the defendants' have infringed the plaintiffs' registered trade marks pursuant to s 38 of the Trade Marks Act 1976 ('the TMA') He also held that the adoption and hence usage of 'skyworld'' by the parties for purposes of their corporate name as well as project name was in fact coincidental. The defendants did not purposely adopt the same to imitate or nterfere with the plaintiffs' business and what more; by way of unlawful means. Finally, it is the learned judge's decision that in this case there should be concurrent use of trade name in the open Malaysian economy that thrives on free and fair trade. The plaintiffs' claim was therefore dismissed with costs of RM50,000 as agreed costs.

GROUNDS OF APPEAL

[23] The plaintiffs are not happy with the decision. They raised various grounds in the memorandum of appeal to say that the learned judge had erred in law and/or in fact in dismissing the first plaintiff's claim with costs for trade mark infringement as follows:

> Trade Mark Infringement
>
> 1. failing to find that the 'Skyworld' and 'Sky World' words or marks used by the 1st to 4th Respondents (hereinafter referred to as 'Corporate Respondents') as part of their corporate names, property development project name 'Sky World City Sabah' (hereinafter referred to as 'Project Name') and domain name 'skyworldcity.net' (hereinafter referred to as 'Domain Name') have infringed upon the following trade mark registration duly obtained by the 1st Appellant:
>
> SkyWorld
>
> (a) 'design the experience' trade mark registered under Registration No. 2014008384 in Class 37; and
>
> SkyWorld
>
> (b) 'design the experience' trade mark registered under Registration No. 2014010514 in Class 37.
>
> (the above-mentioned marks referred to in sub-paragraphs (a) and (b) are hereinafter collectively referred to as '1st Appellant's registered trade marks').
>
> 3. failing to apply the proper test for trade mark infringement as laid down in *Low Cho Yong v Low Chi Hong & Ors* [2018] 1 MLJ 175; [2018] 1 CLJ 287 and many other case laws in determining whether there is an infringement of the 1st Appellant's registered trade marks by the Respondents.
>
> 4. failing to take into account the essential feature and/or striking feature and/or substantial portion of the 1st Appellant's registered trade marks, namely, 'SkyWorld' in determining whether there is a likelihood of confusion between the Corporate Respondents' corporate names, Project Name and Domain Name which

incorporated the said work/mark 'Sky World' and the 1st Appellant's registered trade marks.

5. finding that the 'dominant mark' used by the Appellants is only 'Sky' with a wavy device beneath.

6. failing to apply the proper test in arriving at the decision that the services provided by and/or intended to be provided by the Corporate Respondents are different from the services in respect of the 1st Appellant's registered trade marks, namely 'real estate development; property development; housing development; building project development; building and construction of real property' in class 37, among others.

7. holding that the Corporate Respondents' corporate names and domain name used in connection with the Corporate Respondents' Project Name is unlikely to deceive and cause confusion when only a likelihood of confusion is to be considered.

8. failing to critically consider all and every relevant evidence and to properly evaluate and appreciate the evidence when his Lordship ruled that there is no likelihood of confusion as follows:

(a) the learned Judge failed to take into account all relevant consideration including but not limited to the doctrines or principles of imperfect recollection and essential feature when his Lordship decided that there is no likelihood of confusion between the 1st Appellant's registered trade marks and the Corporate Respondents' corporate names, Project Name and Domain Name incorporating the word/mark 'Skyworld';

(b) the learned Judge erred in holding that the degree of similarity between the 1st Appellant's registered trade mark and the Corporate Respondents' corporate names, Project Name and Domain Name incorporating the word/mark 'Skyworld' is insufficient to cause deception or confusion;

(c) the learned Judge had misdirected himself when his Lordship accepted and applied the Bruneian High Court case of *Ayamas Convenience Store Sdn Bhd v Ayamas Sdn Bhd* [1995] 1 CLJ 133 in deciding that there is no likelihood of confusion;

(d) the learned Judge erred in law and/or in fact in totally disregarding the evidence of actual confusion on the part of the members of the public as demonstrated by two e- mails which emanated from two members of the public addressed to the Appellants enquiring whether the Appellants and the Corporate Respondents are related (hereinafter referred to as 'said e-mails'); and

(e) the learned Judge erred in law and/or in fact in failing to critically and properly appreciate all documentary evidence, especially contemporaneous documentary evidence in the form of the said e-mails.

9. failing to fully recognize and enforce the exclusive rights granted to the 1st Appellant by the 1st Appellant's registered trade marks pursuant to Section 35 of the Trade Marks Act 1976 (hereinafter referred to as 'Act').

Passing off

10. finding that the Appellants had a 'short corporate history' and thus failed to establish the requisite goodwill for proving the tort of passing off when in fact the 1st Appellant had first used the 1st Appellant's registered trade marks and the following trademarks when it launched its first project, Ascenda Residence, as early as in 2014:

SkyWorld

(a) 'design the experience'; and

(b) the word or marks, 'SkyWorld'.

(the above-mentioned marks referred to in sub-paragraphs (a) and (b) above are hereinafter collectively referred to as 'Appellants' Common Law SkyWorld Trade Marks').

11. failing to critically examine and appreciate all the evidence adduced by the Appellants that the word/mark 'SkyWorld' has through extensive use by the Appellants acquired the requisite goodwill and reputation and is distinctive of the Appellants and no others, and as such the said word/mark 'SkyWorld' has in fact and in law became the badge of origin of the Appellants services.

12. holding that the Appellants' goodwill or reputation was not 'sufficiently well-known' for them to sustain an action for passing off, despite having found that the Appellants had established goodwill in the Appellants' Common Law SkyWorld Trade Marks.

13. failing to properly appreciate that the test and the facts which constitute the elements of likelihood of confusion in respect of an action for trade mark infringement are different from the test of proving misrepresentation in an action for passing off. In particular, the learned Judge erred in law and/or in fact when his Lordship inly compared the 1st Appellant's Registered Marks, instead of the Appellants' badge of origin, namely, the word/mark 'SkyWorld', with the Corporate Respondents' corporate names, Project Name and Domain Name in deciding whether there has been any misrepresentation on the part of the Corporate Respondents.

14. finding that there had not been any misrepresentation by the Corporate Respondents on the ground that the services are different without taking into account that the services are very closely related or allied.

15. failed to appreciate that the Corporate Respondents, being the subsequent users of the word/marks 'SkyWorld', bear the burden to prove that their choice of the word 'SkyWorld' as the prominent part of their corporate names, Project Name and Domain Name were made in good faith and such use will not lead to misrepresentation.

16. holding that the Appellants did not suffer any damage in the absence of proof of misrepresentation. Further, the learned Judge erred in law and/or in fact in failing to appreciate that the Appellants are likely to suffer damage due to the Corporate Respondents having passed off their business as that of as associated with the Appellants despite:

(a) the misappropriation of the Appellants' goodwill and reputation by the Corporate Respondents;

(b) the Appellants' loss of exclusivity to the 1st Appellant's registered trade marks and the Appellants' Common Law SkyWorld Trade Marks; and

(c) mistaken association between the Respondents' negative reputation as and for the Appellants' substantial and prestigious reputation and goodwill.

Unlawful Interference

17. finding that the Respondents had not unlawfully interfered with the 1*st* Appellant's business when in fact the Corporate Respondents' infringing activities and acts of passing off constituted such unlawful means which in fact interfered with the Appellants; legitimate businesses.

Other Grounds

18. The learned Judge erred in law and/or in fact in failing to find that the Respondents' witnesses/DW1 and DW2, were not credible witnesses, particularly, in relation to the creation and choice of the Corporate Respondents' corporate names, Project Name and Domain Name at trial.

19. The learned Judge erred in law and/or in fact in holding that the adoption and usage of the word/mark 'Sky World' and/or 'Skyworld' as the Corporate Respondents' corporate names, Project Name and Domain Name were coincidental even though the Respondents failed to offer any explanation on the alleged creation or choice of the Corporate Respondents' corporate names, Project Name and Domain Name used by the Corporate Respondents.

20. The learned Judge erred in law and/or in fact in failing to pierce the Corporate Respondents' corporate veil and failing to rule that the 5th and 6th Respondents, being the alter egos and directing minds and will of the Corporate Respondents, were liable for the Corporate Respondents' act of trade marks infringement, passing off and unlawful interference with trade.

21. The learned Judge erred in law and in concluding that there should be free trade in the Malaysian economy when his Lordship completely ignored or failed to acknowledge an enforce the statutory rights granted to the 1st Appellant as the registered proprietor of the duly registered trademarks pursuant to the Trade Marks Act 1976 and the Appellants' common law rights over the word/marks 'SkyWorld'.

[24] In gist, there is non-consideration or insufficient judicial appreciation of material evidence by the trial judge and that the findings do not accord well with the probabilities of the case. The learned judge has also misapprehended and applied the wrong principles of law in determining the issue of infringement of trade mark, passing off and unlawful interference with trade.

THE APPEAL

[25] Our task is to determine whether the learned judge finding warrant an appellate intervention (see *Gan Yook Chin (P) & Anor v Lee lng Chin @ Lee Teck*

Seng & Ors [2005] 2 MLJ 1 (FC) at pp 10–11 (para 14); *F&N Dairies (Malaysia) Sdn Bhd v Tropicana Products, Inc and other appeals* [2013] MLJU 1591 (CA) at p 30 (para 146).

[26] The parties had filed their written submissions and we also heard their oral submissions. In this case, we noted that the infringement of plaintiffs' trade marks is not caused by a direct use of the said trademarks by the defendants in their products or business but instead the offending marks is part of the defendants' corporate name. Hence, the issue in our view is whether the corporate defendants' name which resembles the plaintiffs' trade marks can be held liable for trade mark infringement in respect of the use of the SkyWorld registered trade marks as part of their company name.

[27] As parties' submissions did not fully address the issue which we thought is very relevant to the facts of this case before us, we allowed parties to file in further submissions on the specific issue that we had raised. Upon sending us the further submissions, we will study the submissions and also take into considerations of the main submissions and deliver our decision on a date to be fixed.

[28] Parties had filed in their further submissions. Firstly, it was established that the corporate defendants have used the 'Skyworld' and 'Sky World' as a trade mark in the course of their trade. Secondly, whether such action is allowable under the trade mark law. If the answer is in the positive, then our view is, there is clear infringement on the plaintiff's trade mark and consequently on the issue of passing off and unlawful interference of trade, if otherwise the judgment of the High Court may not be intended to be disturbed.

THE ISSUE

Whether the corporate defendants' name which resembles the plaintiffs' trade marks can be held liable for trade mark infringement in respect of the use of the SkyWorld registered trade marks as part of their company name.

Trade mark infringement

[29] The law on infringement of trademarks is quite settled. The burden of proof in a trade mark infringement case lies with the plaintiffs. The current legal position is as set out in the Federal Court case of *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175; [2018] 1 CLJ 287 which the learned judge had cited. We agreed with him. In fact, s 38 of the TMA provision is clear on Infringement of a Trade Mark as follows:

Section 38(1)

A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, *uses a mark* which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:

(a) as being use as a trade mark;

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

(c) In a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[30] As to the meaning to be ascribed to the word 'use' found in s 38 of the TMA, s 3(2) of the TMA provides as follows:

In this Act —

(a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark;

(b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods; and

(c) references to the use of a mark in relation to services shall be construed as references to the use thereof as a statement or as part of a statement about the availability or performance of services.

[31] In the case of *Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA* [2016] 9 MLJ 466, the learned High Court judge (as he was then) stated as follows:

Under s 3 of the TMA, the use of a mark in relation to goods shall be construed as 'references to the use thereof upon, or in physical or other relation to goods'. Therefore, as our Jaw mandates that the trademark be used upon' the goods, then there must be actual use of the marks on goods in Malaysia.

[32] The defendants took a stand that under s 38 of the TMA, the use of a

company name or trade name is not in itself usage 'in relation to goods or services' for the following reasons:

(a) s 38 of the TMA read with s 3(2) of the TMA would mean that in order to constitute infringement, *there must not only be usage of an identical or similar mark, but such usage must also be upon or in relation to goods marketed or services provided by the alleged infringer; and*

(b) it is clear from the scheme of s 38 of the TMA (as well as the TMA as a whole) that the intended purpose of the said Section is to protect the public from being deceived or confused as to the source of goods or services, or to put it another way, to enable the public to distinguish goods or services of one party from that of the good or services of another party ie the registered proprietor of a trade mark.

[33] The defendants' submitted that the plaintiffs' claim ought to be dismissed given that the corporate defendants' company name has been registered with the Registrar of Companies ('ROC') and is therefore a valid name. The purpose of a company name or trade name is not, of itself, to distinguish goods or services, but instead is to identify a company or business being carried on.

[34] In support, the defendants referred to the European court's judgments which had recognised the purpose of a company name or trade name is not to distinguish goods or services:

Robelco NV v Robeco Groep NV [2002] C-23/01:

> 34. Accordingly, where, as in the main proceedings, the sign is not used for the purposes of distinguishing goods or services, it is necessary to refer to the legal orders of the Member States to determine the extent and nature, if any of the protection afforded to owners of trade marks who claim to be suffering damage as a result of use of that sign as a trade name or company name.
>
> 35. The Member States may adopt no legislation in this area or they may, subject to such conditions as they may determine, require that the sign and the trade mark be either identical or similar, or that there be some other connection between them.'

Anheuser-Busch Inc v Budejovicky Budvar, narodni podnik [2004] C-245/02:

> However, where the examinations to be carried out by the national court, referred to in paragraph 60 of this judgment, show that *the sign in question in the main case is used for purposes other than to distinguish the goods concerned — for example, as a trade or company name* — reference must, pursuant to Article 5(5) of Directive 891104, be made to the legal order of the Member State concerned to determine the extent and nature, if any, of the protection afforded to the trade-mark proprietor who claims to be suffering damage as a result of use of that sign as a trade name or

company name (see Case C-'23101 Robelco [2002] ECR 1-'10913, paragraphs 31 and 34). A

[35] The defendants submitted that merely using a mark as a company name or trade name cannot in itself be construed as being usage 'in relation to goods or services' within the meaning of s 38 of the TMA so as to constitute infringement. It was further submitted that if the usage of an identical or similar company or trade name is to constitute infringement at all, then with respect our TMA must be amended such as was done to s 10 of the UK Trade Marks Act 1994 which now specifically states that using a sign (mark) includes using the sign 'as a trade or company name or part of a trade or company name. B C

[36] It is the defendants' stands that the mere act of having or using a company name or trading name which is identical or similar to another entity's registered trade mark (or any part thereof) is not in itself an act of infringement of the registered trade mark. In other words, it is perfectly possible for one entity to have a company/trade name which is identical or similar with another entity's registered trade mark without the former entity infringing the latter's registered trade mark. D E

[37] On the other hand, the plaintiffs submitted that such argument is unsustainable for the following reasons:

(a) the corporate defendants' registration of first plaintiff trade mark as their company name does not operate as a defence as the statutory defences in respect of a claim for trade mark infringement are expressly provided in s 40(1) of the TMA, which does not include the use of the mark as a company name; F

(b) the registration of the infringing names as company names clearly violates the prohibitions under ss 25(2) and 26 of the Companies Act 2016 as the corporate defendants' names are practically identical to the plaintiffs' names (save for the generic words 'Holdings', 'Sabah', 'Sdn and 'Bhd'). Sections 25(2) and 26 of the 2016 Act provide that: G H

> 25(2) A company may have as its name —
>
> (a) *an available name;* or
>
> (b) any such expression as the Registrar may assign upon its incorporation.
>
> 26(1) *A name is available if it is not* — I
>
> (a) *undesirable or unacceptable;*
>
> (b) *identical to an existing company, corporation or business;*
>
> (c) identical to a name that is being reserved under this Act; or

A

(d) a name of a kind that the Minister has directed the Registrar not to accept for registration.

(2) The Registrar shall have the power to determine whether a name referred to in paragraph (1)(a), (b) or (c) is undesirable, unacceptable or identical, as the case may be.

B

(3) The Registrar shall publish in the Gazette any direction referred to in paragraph (1)(d). (Emphasis added.)

(c) in determining whether a name is undesirable or unacceptable, the ROC is guided by the guidelines on company names ('guidelines'), which provides that:

C

The Registrar has a full discretion in determining whether a name is undesirable or unacceptable. In exercising that discretion, the Registrar may determine that a name is undesirable or unacceptable if —

D

(d) contains words of an obscene nature;

(e) it is contrary to public policy including names which are set out in paragraphs 3;

E

(f) it may likely offend any particular section of a community or any particular religion; or

(g) *Names that are misleading as to the identity,* nature, objects or purposes *of a company or in any other manner.* (Emphasis added.)

F

(a) the guidelines further provide that in ascertaining whether the corporate defendants' company names are identical to the plaintiffs' company names, the following shall be disregarded:

(a) 'The': where it is the first word of the name;

(b) *'Sendirian', 'Sdn', 'Berhad' and 'Bhd';*

G

(c) the following words and expressions where they appear at the end of the name: 'company', 'and company', 'corporation', 'Incorporated': *'Holding', 'Group' 'Malaysia';*

(d) *any word or expression which in the opinion of the Registrar, is intended to represent any word or expression in sub-paragraph (c);*

H

(e) the plural version of the name;

(f) the type and *case of letters, spacing between letters* and punctuation marks; and

I

(g) the symbol '&' is deemed to have the same meaning as the word 'and'. (Emphasis added.)

(https://www.ssm.com.my/Pages/LegalFramework/PDF%20Tab%202/guidelines on names.pdf) at para [12]–[13].

[38] Applying the guidelines set out in paragraphs above, the plaintiffs submitted that plaintiffs' and corporate defendants' names are practically identical as follows:

Parties	Company Names
First plaintiff	Skyworld Development (applying para (b))
Second plaintiff	Skyworld Capital (applying para (b))
First defendant	Skyworld (applying paras (b) and (c))
Second defendant	Skyworld Global (applying para (b))
Third defendant	Skyworld (applying paras (b), (c) and (d))
Fourth defendant	Skyworld City (applying para (b))

[39] The ROC is empowered under s 29 of the Companies Act 2016 'to direct a company to change its name if he believes on reasonable ground that a name under which the company was registered should not have been registered'. Therefore, the registration of the company's name does not mean it is immune from being changed in appropriate circumstances.

[40] By reason of the aforesaid, the plaintiffs' stand is that the registration of the infringing names by the ROC cannot be taken to mean that the said names are valid under trade mark laws. The legality of the corporate defendants' use of the infringing names should not be viewed in isolation from the TMA. Otherwise, an infringer or tortfeasor would be able to circumvent the protection conferred to a registered trade mark under the TMA by registering and using the said mark as a company name. The registration and use of the trade mark as a company name by the tortfeasor is a 'back-door' entry to circumvent the registration of the SkyWorld registered trade marks.

[41] The plaintiffs referred to the Bombay High Court's decision of *Poddar Tyres Ltd vs Bedrock Sales Corporation Ltd* AIR 1993 Bom 237 (at para 45) which says as follows:

> It is open to the plaintiffs to move under the provisions of the Companies Act for cancelling the name of the first defendants, if so advised, *but that, by itself. Do[e]s not preclude the plaintiffs from bringing an action for infringement of their registered trade mark and/or passing off?* (Emphasis added.)

[42] Based on the submission, the plaintiffs' counsel urged this court to injunct the corporate defendants from using the SkyWorld names and marks as part of their company name, domain name and project name. We were invited to adopt the English High Court's approach in *Panhard et Levassor SA v Panhard-Levassor Motor Co Ltd* (1901) 18 RPC 405 wherein the learned judge, Farwell J, ordered the defendant to change its company name having found that its name is colourably similar to the plaintiffs name. We sensed that this is the concession the plaintiffs' counsel was willing to accept in any event.

A OUR DECISION

[43] To begin with, what are the difference between trademarks, business names, company names and domain names? The table below will show the differences:

B

Type of name	What is it used for	Registration
Trade mark	A trademark is used to identify a product or service in the marketplace and to distinguish it from other products and services. A registered trademark must specify the types (or classes) of goods and services in relation to which it is used.	A registered trademark enjoys the protection of the Trade Marks Act 1976 as well as the protection of the general law. An unregistered trade-mark can be protected by the general law only.
Business name	A business name is a name that is used to identify a business, not a product or service. A business name is the name that the legal entity that owns the business will use to promote the business. The legal entity that owns the business may be: • a person, who is described as a sole trader • number of people, described as being in partnership • a company, which will usually have the words 'Sendirian', 'Sdn', 'Berhad' and 'Bhd'; (or some variation) at the end of its name. If one of these types of legal entities wants to call its business something other than its own name, it must register a business name. If the legal entity that owns the business trades under its own name, a business name is not necessary.	The business names register is administered by Companies Commission Malaysia ('SSM')

	It is possible to register a trademark that is the same as a business name, but their different registrations are to achieve different objectives: Registration as a trademark is to brand a product or service. Registration as a business name is to identify the legal entity that owns the business (and may have many products and services).	
Company name	A company name is the name of the type of legal entity that will usually have the words 'Sendirian', 'Sdn' 'Berhad' and 'Bhd'; (or some variation) at the end of its name. A company that wants to call its business something other than the company's own name must register a business name. A company does not need to register a business name if it uses its own name. A company name identifies the legal entity that owns the business, as distinct from identifying its products and services. It is possible to register a trademark that is the same as a company's name, but their different registrations are to achieve different objectives: • Registration as a trademark is to brand a product or service. • Registration as a business name is to identify the legal entity that owns the business (and may have many products and services).	A company name is registered when the company is registered with the Companies Commission Malaysia ('SSM')
Domain name	A domain name is an internet address. Domain names let an internet user visit a specific website.	

	As a part of a branding strategy, it is very common for a domain name to be the same, or similar to a trademark, a business name, or a company name, but these different registrations are to achieve different objectives: • A domain name is registered so that there is an internet address. • A trademark is registered to identify a product or service. • A business name is registered to identify a business that wishes to trade other than with its own name. • A company name is the name of a specific type of legal entity.	

[44] As alluded to earlier, the defendants' counsel had argued that once the corporate defendants' company name has been registered with the Registrar of Companies ('ROC') it is a valid name and the purpose of a company name or trade name is not, of itself, to distinguish goods or services, but instead is to identify a company or business being carried on. The intended purpose of the scheme of s 38 of the TMA (as well as the TMA as a whole) is to protect the public from being deceived or confused as to the source of goods or services, or to put it another way, to enable the public to distinguish goods or services of one party from that of the good or services of another party ie the registered proprietor of a trade mark. In other words, s 38 of the TMA does not apply to the corporate defendants.

[45] In Malaysia, under s 22 of the Companies Act 1965 ('the 1965 Act'), the process of incorporation commences with the applicant applying in the prescribed form (Form 13A) to the Registrar of Companies for a search on the availability of the name for the intended company. The Registrar of Companies shall reserve the proposed name for a period of three months from the date of lodging the application if he is satisfied as to the bona fides of the application and the proposed name is not undesirable or is a name or a name of a kind that the Minister has directed the Registrar of Companies not to accept for registration.

[46] In contrast, the Companies Act 2016 ('2016 Act') merely requires a person to apply to the Registrar of Companies to confirm the availability of the proposed company name. The Registrar of Companies may reserve the name

for a period of 30 days (instead of three months under the 1965 Act) from the date of lodgment of the application together with the prescribed fee if he is satisfied that the proposed name is not undesirable or is a name or a name of kind that the Minister has directed the Registrar of Companies not to accept for registration.

[47] In comparison with s 22 of the 1965 Act, the 2016 Act has clarified the criteria for the Registrar of Companies to approve a company's name. Section 26 of 2016 Act provides that the name can be approved if it is not:

(a) undesirable or unacceptable;

(b) identical to an existing company, corporation or business;

(c) identical to a name that is being reserved under the 2016 Act; or

(d) a name that the Minister has directed the Registrar of Companies not to accept for registration.

[48] Where the Registrar of Companies determines that a name is undesirable, unacceptable or identical to an existing company, corporation or business or a name that is being reserved, he shall then publish in the *gazette* any direction to that effect.

[49] The corporate defendants were all incorporated in 2017. The names had been accepted and registered by the ROC. The fact that the names had been accepted and registered, in our view, the corporate defendants' names are valid as the names are not being undesirable or unacceptable under para (a) and not identical to an existing company, corporation or business under para (b) of s 26 of the 2016 Act.

[50] The first plaintiff changed its name to SkyWorld Development Sdn Bhd on 5 December 2014 for the group to use a name which can also be used as their house mark for all their development projects. The 'SkyWorld' mark was first used in 2014 for the plaintiffs' Ascenda Residence @ SkyArena Setapak project ('SkyArena project'). The mark 'SkyWorld' (without taglines) is used in the plaintiffs' write-ups, press releases as well as in their sales galleries.

[51] It was an issue for the plaintiffs as to how the corporate defendants' names were approved in 2017 when the plaintiffs' names had been accepted, approved and registered earlier in 2014. It cannot be disputed that at the time the corporate defendants were incorporated, the plaintiffs' already in existence or incorporated. They claim that the registration of the Infringing Names as company names clearly violates the prohibitions under ss 25(2) and 26 of the 2016 Act as the corporate defendants' names are practically identical to the

plaintiffs' names (save for the generic words 'Holdings', 'Sabah', 'Sdn and 'Bhd').

[52] Section 26(2) of the 2016 Act only provides that the registrar shall have the power to determine whether a name referred to in para (1)(a), (1)(b), (1)(c) is undesirable, unacceptable or identical, as the case may be. In our view, the corporate defendants' name are not identical with the plaintiffs' name except the word 'Skyworld' were used. Our further view is that the Registrar's power under s 26(2) of the 2016 Act does not extend to refusal of any application for registration if the names may offend any existing trademarks registered under the TMA. Moreover, the plaintiffs' company's name and its company registration/identity number (s 15 of 2016 Act) are different from the corporate defendants' registration/identity number although the words 'Skyworld' are used as parts of the names.

[53] Based on all the company names which had been approved and registered by the ROC, it is our considered view that the registration of the names using the word 'skyworld' or 'SkyWorld' per se did not contravene Section 26(2) of the 2016 Act if it is not identical with the existing company. The learned judge's held that the adoption and hence usage of 'skyworld'' by the parties for purposes of their corporate name as well as project name was in fact coincidental. The defendants did not purposely adopt the same to imitate or interfere with the plaintiffs' business and what more; by way of unlawful means. Finally, it is the learned judge's decision that in this case there should be concurrent use of trade name in the open Malaysian economy that thrives on free and fair trade.

[54] We may agree with the learned judge's opinion that the corporate defendants should be given the benefit of doubt to the concurrent use of the trade name in the open Malaysian economy. However, in our view it remains an issue whether the corporate defendants had interfered with the plaintiffs' real estate business in respect of the usage of the names as trademark.

[55] There are other companies have used the word 'SkyWorld'. In any event, the fact that the plaintiffs have not pursued action against the other companies/parties using the word 'SkyWorld' does not preclude them from pursuing this claim against the defendants. This was explained by the High Court in *Intel Corp v lntelcard Systems Sdn Bhd & Ors* [2004] 1 MLJ 595, where it was held that:

> 54 From the defendant's submission, it can only be derived that it is based on a simplistic view that there are hundreds of other companies using the 'Intel' name without permission; why pick on the defendant? I cannot help but disagree with such a suggestion. Just as absurd is the defendant's suggestion that the plaintiff's

action against the defendant is untenable because it has not succeeded in taking action against hundreds of companies with the 'Intel' prefix as mentioned by the defendant.

[56] The purpose of registering a business name is to ensure that consumers and businesses that one deals with are able to identify or ascertain who the operator or actual legal owner of the business is. However, registered trademarks enjoy the protection of the TMA as well as the protection of the general law.

[57] In relation to registration of a business name, company name or a website domain we come across an Australian Article by *Murfett Legal Professionalism. Understanding. Result. (w.w.w.murfett.com.au),* which states that:

> It is a (very) common misconception that the registration of a business name (under the Business Name Registration Act 2011 (Cth)), company name (with ASIC) or a website domain name confer some form of ownership or exclusive rights to the use of that name in Australia. It doesn't! Only if the name is registered as a trade mark does it confer such rights. Having a registered trade mark can provide legal protection for your business, its brand(s) and goodwill and gives you statutory rights to prevent another business from using the same or similar trade mark. A registered trade mark can also be most valuable marketing tool, as well as quite often an appreciating asset on you balance sheet. *Choosing a business name that infringes (inadvertently or otherwise) an existing trade mark can be a costly exercise.* It could mean drawn out disputes, legal costs and possibly being compelled to cease using business name. The purpose of registering a business name is to ensure that consumers and businesses that you deal with are able to identify or ascertain who the operator or actual legal owner of the business is. Registration also ensures that every business complies with the Business Name Registration Act 2011 (Cth). Registration is mandatory (with some exceptions) and it must be done before the business starts trading. Businesses who fail to register their business name can be fined':

[58] The articles also suggesting things to note when registering a business name as follows:

(a) always check whether your business name may infringe a registered trade mark by conducting a trade mark search using IP Australia's website (http://www.ipaustralia.gov.au/);

(b) if your registered business name infringes a registered trade mark, the trade mark owner may apply to the courts to cancel your business name; and

(c) if the trade mark owner is successful, it will mean you have to trade under a new business name, change your marketing and advertising

materials and signage, and lose the branding and the goodwill that you have built up under the old business name.

[59] Further, a domain name is unique website address (or more specifically the Universal Reference Locator ('URL') on the internet (eg www.murfett.com.au), it is the online identity for your business. Modern technology and the increasing reliance on the internet means that domain names are important marketing tools to generate traffic for businesses. Although a third party cannot register a domain name that you have already registered, this again does not mean that you have the exclusive right to use the domain name. Similar to a business name, if your registered domain name infringes a registered trade mark, the trade mark owner may (issue a 'cease and desist' letter, demanding that you cease using the domain name. The trade mark owner can also commence proceedings against you for 'passing off their registered trademark. A trade mark is a right that is granted over a word, phrase, letter, number, sound, smell, shape, logo, picture or packaging your business uses to represent its goods and services. It is used to distinguish your goods or services from your competitors. A registered trade mark under the *Trade Marks Act 1995* gives the exclusive legal right to use, license and sell your intellectual asset in Australia.© Murfett Legal2017.

[60] The corporate defendants are all involved in businesses relating to real estate activities, project development and/or retail sale of construction materials. The defendants are presently embarking on its maiden Sky World City project in Karambunai, Sabah, East Malaysia. Whereas, the first plaintiff is the registered proprietor of the SkyWorld registered trade marks in Class 37 in respect of, inter alia, 'real estate development'; 'property development'; 'building project management'; and 'building and construction of real property'. The SkyWorld Names forms part of the plaintiffs' company names.

[61] The plaintiff's contended that members of the public would identify the plaintiffs' project as 'SkyWorld's project' (without the tagline) and not 'SkyWorld design the experience project' (with the tagline). The learned judge considered the defendant business are residential accommodation buildings planned to be built in the Sky World City project. In other words, there are similarities in the defendants' business or project and the plaintiffs' business or project.

[62] As pointed out, the requisite elements for establishing trade mark infringement pursuant to s 38 of the TMA has been clearly stated in the Federal Court case of *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175. In other words, trademark infringement is an unauthorised use of a sign that is substantially identical with, or deceptively similar to, a registered trademark, is an infringement. A trademark is taken to

be deceptively similar to another trademark if it so nearly resembles the other trademark that it is likely to deceive or cause confusion. Occasionally, a 'well-known' registered mark can be infringed by the use of a similar mark on dissimilar goods or services, as the mark could indicate an apparent connection between the unrelated goods or services and the registered owner of the trademark. This adversely affects the interests of the registered owner. For example, using 'Coca-Cola' as a trademark in relation to sweets could infringe the legitimate 'Coca-Cola' trademark even if it was only registered in relation to beverages.

[63] The learned judge agreed that the principal similarity is in the defendants' corporate name and domain name and the plaintiffs' registered trade marks arising from the word 'skyworld'. He had also agreed that the first plaintiff trademark is a stylish verbal mark visually comprising of the word SkyWorld save that with the letters 's' and 'w' spelt in uppercase letter with a stroke underneath the word 'sky' together with the phrase 'design the experience'. The other one of them has the same characteristics but with additional four Chinese characters underneath the phrase 'design the experience'. The learned judge found that there is no resemblance between them whatsoever. Eventually, he held that there is no infringement of first plaintiff's trademarks.

[64] However, we were of the view that the learned judge had erred in law as it is trite that the plaintiff in an infringement action is not required to establish that the infringing mark is identical. It would suffice for the plaintiffs to establish that the infringing mark so nearly resembles the registered trade mark as is likely to deceive or cause confusion (*Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63, SC at p 65). For the purpose of ascertaining whether there is a likelihood of confusion between two competing marks, other features (if any) outside the actual trade mark used by the defendants should not be taken into account (*Saville Perfumery Ltd v June Perfect Ltd* [1941] RPC 147, CA at p 161). We agreed with the plaintiffs that the learned judge should not be drawn into conducting a microscopic comparison of the minute differences between the competing marks, namely, whether the corporate defendants' marks/words are used in uppercase or lowercase (*Hu Kim Ai (berniaga sebagai Geneve Timepiece) and Anor v Liew Yew Thoong (berniaga sebagai Crystal Hour)* [2005] MLJU 389).

[65] By the given facts, we were of the view that the first plaintiffs had established paras (a), (b) and (c) of s 38 of the TMA. We were also of the view that the use of the infringing names by the corporate defendants is likely to cause confusion or deception as the infringing names are aurally and visually similar to the SkyWorld registered trade marks. The corporate defendants have used the infringing names as a trade mark in the course of their trade as defined

A under ss 3(1) and (2) of the TMA.

[66] It is not disputed that the infringing names incorporate the essential feature of the SkyWorld registered trade marks, namely 'SkyWorld'. It is also not disputed that the corporate defendants are neither the registered proprietors nor the registered users of the SkyWorld registered trade marks. We found the learned judge erred in not enquiring whether the use of the infringing names and marks comes within the specification of services covered by the SkyWorld registered trade marks, inter alia, 'real estate development'; 'property development'; 'building project management'; and 'building and construction of real property'. Instead, the learned judge was embarking on a wrong enquiry of whether the plaintiff and the defendant were engaged in the same business in determining the issue of trade mark infringement.

[67] We agreed with the plaintiffs' submission that when the court is examining the specifications of the plaintiffs' registration in ascertaining whether the defendant's activities come within the scope of that specification, the court must have regard to the following principles:

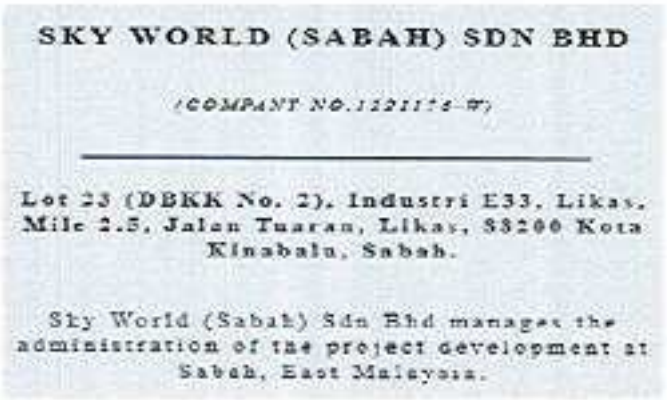
(a) the words or phrases found in the specification of goods or services of a trade mark registration should be given their ordinary and natural meanings and should be confined to the core or substance of possible meanings (*Avnet Inc v Isoact Ltd* [1998] FSR 16 at p 19);

(b) the words in the specification should be given their natural meaning within the context in which they are used. They cannot be given an unnaturally narrow meaning (*Beautimatic lnernational Ltd v Mitchell International Pharmaceutical Ltd and Another* [2000] FSR 267 at p 275); and

(c) the trade mark registration should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods or services in question, there is equally no justification for straining the language unnaturally, so as to produce a narrow meaning which does not cover the goods or services in question (*YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at para 12).

[68] It was submitted that taking the natural and ordinary meanings of the words found in the relevant specification of services of the SkyWorld registered trade marks, ie 'real estate development', 'property development' and 'building and construction of real property', these words would include the corporate defendants' business of constructing and developing a theme park. It is undeniably true the corporate defendants' business activities involve property development and/or construction of real property.

[69] The specification of services as registered under the SkyWorld registered trade marks in Class 37, and the corporate defendants' services or business as culled from the evidence adduced:

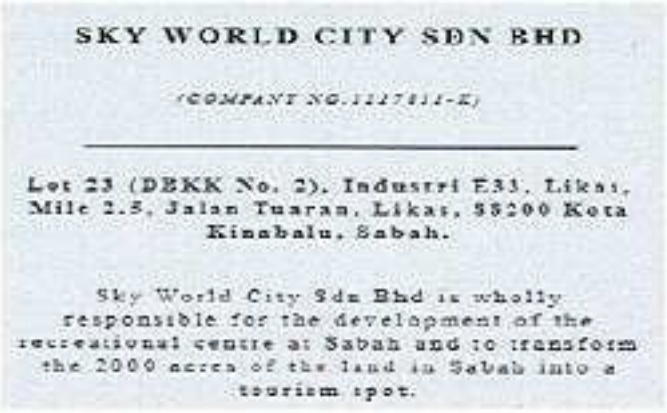


SKY WORLD (SABAH) SDN BHD

(COMPANY NO.122117-W)

Lot 23 (DBKK No. 2), Industri E33, Likas, Mile 2.5, Jalan Tuaran, Likas, 88200 Kota Kinabalu, Sabah.

Sky World (Sabah) Sdn Bhd manages the administration of the project development at Sabah, East Malaysia.



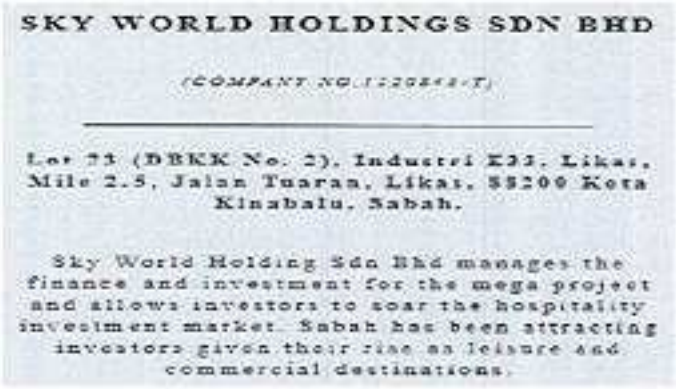
SKY WORLD CITY SDN BHD

(COMPANY NO.1227811-K)

Lot 23 (DBKK No. 2), Industri E33, Likas, Mile 2.5, Jalan Tuaran, Likas, 88200 Kota Kinabalu, Sabah.

Sky World City Sdn Bhd is wholly responsible for the development of the recreational centre at Sabah and to transform the 2000 acres of the land in Sabah into a tourism spot.

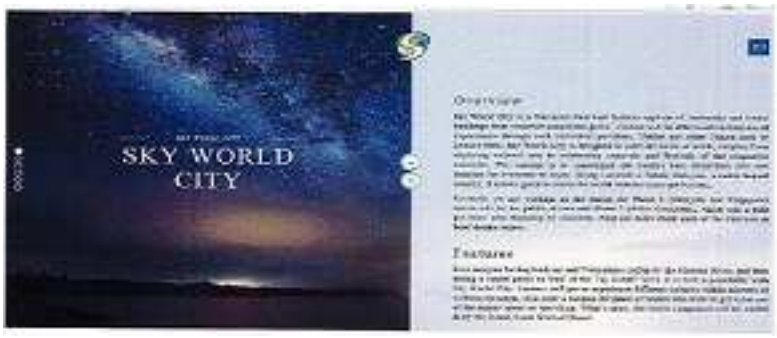
A


SKY WORLD HOLDINGS SDN BHD
(COMPANY NO. 1120814-T)
Lot 73 (DBKK No. 2), Industri KK3, Likas,
Mile 2.5, Jalan Tuaran, Likas, 88200 Kota
Kinabalu, Sabah.
Sky World Holding Sdn Bhd manages the
finance and investment for the mega project
and allows investors to soar the hospitality
investment market. Sabah has been attracting
investors given their rise as leisure and
commercial destinations.

B

C

D

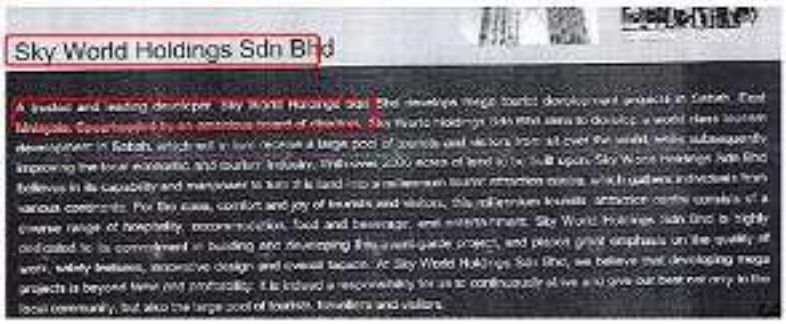


E

F

The first defendant further identifies itself as 'sky World' in its presentation to its investors regarding the purported Sky World City Sabah project as shown below:

G



H

I

The corporate defendants' alleged tourism project is known as 'Sky World City Sabah' as shown below:

[70] We agreed with the plaintiffs' submission in ascertaining the likelihood of confusion, proof of actual confusion is not necessary (*Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener)* [2015] 4 MLJ 166, FC at p 182 (para 29). Notwithstanding, it would be beneficial for the plaintiffs if they are able to adduce evidence of actual confusion (*Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585, CA at p 676 (para 237)).

[71] The plaintiffs had also adduced evidence of actual confusion vide two emails from the public enquiring whether the plaintiffs and the corporate defendants are related (see pp 1092–1095 *Rekod Rayuan* (*Jld* 2C). The plaintiffs answered to the queries from Venugopal and John Smith that the plaintiffs' company is not related and not connected in any form or manner howsoever with the corporate defendants. The plaintiffs had also adduced a certificate pursuant to s 90A(2) of the Evidence Act 1950 by SP1 (see p 1089), which dispenses the need to call the maker of these emails. In our opinion, a certificate under s 90A(2) is not the only method to prove a document was produced by a computer. The witness may give oral evidence to the same effect. Section 90A(4) of the Evidence Act 1950 states:

> (4) Where a certificate is given under subsection (2), it shall be presumed that the computer referred to in the certificate was in good working order and was operating properly in all respects throughout the material part of the period during which the document was produced.

[72] The authority on this point is found in the case of *Ahmad Najib bin Aris v Public Prosecutor* [2009] 2 MLJ 613; [2009] 2 CLJ 800 (Federal Court):

> (5) A certificate under s 90A(2) of the Evidence Act 1950 is not the only method to prove that a document was produced by a computer 'in the course of its ordinary use' under s 90A(1) of the Evidence Act 1950. Section 90A(6) deals with the admissibility of a document which was not produced by a computer in the course of

its ordinary use and is only deemed to be so. The fact that a document was produced by a computer in the course of its ordinary use may be proved by the tendering in evidence of a certificate under s 90A(2) or by way of oral evidence. Such oral evidence must consist not only of a statement that the document was produced by a computer in the course of its ordinary use but also of the matters presumed under s 90A(4).

[73] The fact can also be established by oral evidence. We absolutely agree with the above case of *Ahmad Najib Aris v Public Prosecutor* (see also *Gnanasegaran a/l Pararajasingam v Public Prosecutor* [1997] 3 MLJ 1 at p 11, *Standard Chartered Bank V Mukah Singh* [1996] 3 MLJ 240 (HC) and *Evidence Practice and Procedure* (2nd Ed) by Augustine Paul at p 640). In light of the evidence and the authorities above, the requirements of s 90A(4) of the Evidence Act 1950 has been complied. The learned judge erred by disregarding the Emails and attaching no weight to them despite the emails having been produced by the parties. The learned judge ought to critically examine the truth of their contents against the probabilities of the case and all of the evidence adduced before him.

[74] Based on the evidence shown, we agreed that the plaintiffs had established all the elements constituting trade mark infringement under s 38 of the TMA. We had no hesitation to find the corporate defendants to be held liable for trade mark infringement in respect of their use of the infringing names in the company names, domain name and project name.

[75] The courts in Malaysia and other common law jurisdictions have also decided that the use of a registered trade mark as a company name would amount to trade mark infringement in the following cases:

Malaysian position

Mutiara Rini Sdn Bhd v The Corum View Hotel Sdn Bhd (previously known as The Curve Hotel Sdn Bhd) [2016] 7 MLJ 771.

The court allowed the plaintiff's application for summary judgment against the defendant for trade mark infringement and passing off in respect of the defendant's use of the plaintiff's registered mark, 'The Curve' in the defendant's company name. 'The Curve Hotel Sdn Bhd'. The learned judge applied the requirements under s 38 of the TMA and decided that:

> [17] Thus, the facts clearly show that the defendant has used the said trademark The Curve' without the consent of the plaintiff. The defendant has used the mark as part of the business name of the defendant and the same was used in the course of the hotel business of the defendant. Therefore, all the elements of infringement have been satisfied.

Syarikat Wing Heong Meat Product Sdn Bhd v Wing Heong Food Industries Sdn Bhd & Ors [2010] 7 MLJ 504.

The Federal Court held that the plaintiffs use of the defendant's registered mark 'Wing Heong' as part of the plaintiffs company name amounts to trade mark infringement.

[76] There is a plethora of cases which held that the unauthorised use of a plaintiffs trade mark as part of the defendant's corporate name or trading style would amount to passing off.

The relevant cases in a chronological order are as follows:

(a) *Revertex Ltd & Anor v Slim Rivertex Sdn Bhd & Ors* [1991] 1 MLJ 508 (citing *Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd* [1986] 1 MLJ 130);

(b) *Dun & Bradstreet (Singapore) Pte Ltd & Anor v Dun & Bradstreet (Malaysia) Sdn Bhd* [1994] 1 MLJ 32;

(c) *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd* [1993] 1 MLJ 55; [1996] 2 BLJ 519; and

(d) *Trinity Group Sdn Bhd v Trinity Corporation Berhad* [2012] MLJU 1800; [2012] 1 LNS 929

Singaporean position

Clinique Laboratories, LLC v Clinique Suisse Pte Ltd and another [2010] 4 SLR 510

The court held the defendants liable for trade mark infringement in respect of their use of the registered mark 'CLINIQUE' in, inter alia: (a) the first defendant's company name 'Ciinique Suisse Pte Ltd'; (b) the trading name 'CLINIQUE SUISEE'; and (c) the domain name www.cliniquesuisse.com.

Australian position

Insight Radiology Pty Ltd v Insight Clinical Imaging Pty Ltd (2016) 122 IPR 232

The Australian Federal Court decided that *Insight Radiology Pty Ltd*'s ('IR') use of the registered composite mark as part of, inter alia, its corporate name amounted to trade mark infringement.

Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd (2016) 118 IPR 239.

The Australian Federal Court decided that the defendant was liable for infringing the registered mark 'Fiexopack' in respect of its use of the said mark as its company name. Further, the court in the passages below, went on to hold that the respondent ought to have been more careful in choosing its company name to avoid infringing the trade mark rights of others:

> [14] Generally, I found [the 1st respondent's director's] evidence to be unreliable. I am not prepared to accept that [the 1st respondent's director] did not know of the Applicant at the time the First Respondent adopted its company name and of the potentiality for confusion.
>
> ...
>
> A person seeking to identify whether a name is available for use could have quickly and simply conducted a Google search. I have significant doubts as to the veracity of [the 1st respondent's director] denial on this aspect that he did not carry out such a search. It was not disputed, as I understood it, that a general Google search would have thrown up the Applicant.
>
> [145] Further, [the 1st respondent's director] did not make any enquiries of cheese manufacturers before choosing his company name. Further, he did not make any enquiries of any company selling the same type of product as he was proposing to sell before choosing a company name. These would have been straightforward steps to take if he wanted to avoid infringing the rights of others.
>
> ...
>
> [148] The [Australian Securities and Investments Commission] website also provided significant information about choosing a company name. It warned company registrants that they did not have the absolute right to use a company name and that they should consider if the proposed name was similar or identical to any registered or pending trademarks. Similar information was also provided by the Australian Government through the website www.business.gov.au.

English position

Eastman Photographic Materials Co Ltd v John Griffiths Cycle Corpn Ltd and Kodak Cycle Co Ltd, Re Trade Mark No 207006 (1898) 15 RPC 105.

The registered proprietor of the mark 'KODAK' brought an action against the defendant for trade mark infringement and passing off stemming from the defendant's use of the registered mark as part of its trade name. In granting an injunction to restrain the defendant from using the 'KODAK' mark as part of its company name, the English High Court decided that:

> think it would injure the plaintiff Company, and would cause the defendant Company to be identified with the plaintiff Company, or to be recognised by the public as being connected with it, and I think, accordingly, the defendants, The Kodak Cycle Company, Ltd, ought to be restrained from carrying on business under that name.

Moreover, it appears to me that they ought not to be permitted to sell their cycles under the name of the 'Kodak Cycles' for similar reasons. I think it would lead to confusion; I think it would lead to deception, and I think it would be injurious to the plaintiff Company'.

Indian position

P Narayanan, Law of Trade Marks and Passing Off, 6th Ed, pp 559–560

The learned author P Narayanan commented on the issue vis a vis the use of a mark as part of trading style or corporate name as follows:

The use of a registered trade mark as part of the trading style of another dealing in the same kind of goods will constitute infringement of the mark.

Ellora Industries vs Banarsi Das Goela and Ors AIR 1980 Delhi 254

The plaintiffs are the registered proprietors of the trade mark 'ELORA'. They brought an action against the defendant for trade mark infringement and passing off in respect of the defendant's use of the trade name 'EIIora Industries'. The Delhi High Court allowed the plaintiff's claim and went on to declare that:

43. The defendants have caused a part of the plaintiff's reputation to be filched. They have annexed to their business name what is another men's property. The plaintiffs' trade mark 'Elora' is the core or the essential part of the defendants' trading style, 'Ellora Industries'.

...

Thus 'E[ll]ora Industries' is an 'infringing designation', a misleading name and its use must be restrained by injunction so that the competitor is prohibited from gaining an unfair advantage by confusing potential customers. 'The tendency of the law, both legislative and common, has been in the direction of enforcing increasingly higher standards of fairness or commercial morality in trade'.

46. The appropriation of the plaintiffs' trade mark by the defendants as their own badge is as much a violation of the 'exclusive right' of the rival trader as the actual copy of his device. It is a misleading designation. It creates a confusion as to source in the mind of the purchasing public. The words in the defendants' trading style convey a misrepresentation that materially injures the registered proprietor of the trade mark. Many and insidious are the ways of infringement. Sometimes 'the falsehood is a little subtler, the injury a little more indirect', than in ordinary cases. (Emphasis added.)

Poddar Tyres Ltd vs Bedrock Sales Corporation Ltd AIR 1993 Bom 237

The Bombay High Court, in holding the defendant liable for using the plaintiffs' registered mark 'BEDROCK' as part of the defendant's company name, decided that:

> It is urged that, if the plaintiffs are aggrieved by the first defendants adopting the word 'Bedrock' as part of their corporate name, and, if the act of the Registrar in permitting them to adopt the name 'Bedrock Sales Corporation Ltd'. was erroneous, then the remedy Jay elsewhere, and not by way of an injunction in an infringement action or passing off action. As has been rightly pointed out by the Delhi High Court in KG Khosla Compressors Ltd v Khosla Extractions Ltd, the aggrieved plaintiffs have two remedies, which are alternative and not mutually exclusive. It is *open to the plaintiffs to move under the provisions of the Companies Act for cancelling the name of the first defendants, if so advised, but that, by itself. Do[e]s not preclude the plaintiffs from bringing an action for infringement of their registered trade mark and/or passing off.*
>
> In the result, *I hold that the first defendants, by adopting the word 'Bedrock' as a part of their corporate name, have infringed the registered trademarks, of which the plaintiffs are the registered proprietors.* [I] also hold that the said ac[t]ion of the first defendants amounts to passing off of the first defendants' business or trade as that of the plaintiffs' business or trade. Theplaintiffs are entitled to interim reliefs.

[77] The UK current statute of Trade Mark Act 1994 was recently amended in s 10(4) by inserting new para (ca), adding the words 'and in advertising' in para (d) and inserting new para (e) as follows:

> 10. Infringement of registered trade mark.
>
> (4) For the purpose of this section a person uses a sign if, in particular, he —
>
> (a) affixes it to goods or the packaging thereof;
>
> (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
>
> (c) imports or exports goods under the sign;
>
> (ca) *uses the sign as a trade or company name or part of a trade or company name;*
>
> (d) uses the sign on business papers *and in advertising;* or
>
> (e) *uses the sign in comparative advertising in a manner that is contrary to the Business Protection from Misleading Marketing Regulations 2008.* (Emphasis added.)

[78] With the new amendments which comes into force on 14 January 2019, the usage of an identical or similar company or trade becomes an integral part of the Act which constitutes infringement of trademark. In our view, the amendments were made to give more effect to the Act which the law has been earlier established in the decided cases.

[79] In *Celine SARL v Celine SA* (2007) C-17/06 the European Court of Justice ('ECJ') considered a reference from the French Court of Appeal in relation to use of a term as a company name and whether it could amount to trade mark infringement.

The ECJ stated at a trademark owner cannot stop a third party from using an identical name as the name of a company or the name of a shop, even in relation to the use of identical goods and services for which the trade mark has been registered, where the third party's use of the name is in accordance with honest practices.

Celine SA was incorporated in 1928 and filed an application for the word mark CELINE (to designate all goods in Classes 1 to 42, in particular 'clothes and shoes') in 1948. The company creates and markets clothing and fashion accessories.

In this dispute Celine SARL claimed the right to trade as 'Celine', selling garments and accessories. The company name was originally registered in 1950 and transferred by successive operators of the business to Celine SARL.

Celine SA brought proceedings against Celine SARL for trade mark infringement and unfair competition. The Nancy Regional Court of France found in favour of Celine SA, awarded damages and prohibited Celine SARL from using the term 'Celine'.

Celine SARL appealed against the decision, arguing that the use of 'Celine' as a company or shop name did not amount to infringement, since it was not the purpose of either a company or a shop name to distinguish goods and services and that, in any event, there could be no confusion on the part of the public as to the origin of the goods concerned.

The French Court of Appeal made a reference to the ECJ for a preliminary ruling on the following question: 'Must Article 5(1) (of the Directive) be interpreted as meaning that the adoption by a third party without authorisation, of a registered word mark, as a company, trade or shop name in connection with the marketing of identical goods, amount to use of that mark in the course of trade which the proprietor is entitled to stop by reason of his exclusive rights?'

Legal issues

Article 5 of the Trade Marks Directive (Directive 89/104/EEC of 21 December 1988 to approximate the laws of Member States relating to trade marks (OJ

A 1989 L 40, p1) ('the directive') confers certain exclusive rights on the proprietor of registered trademarks. The proprietor is entitled to prevent third parties (not having the proprietor's consent) from using in the course of trade any sign which is identical to the trade mark in relation to identical goods or services and any sign which is confusingly similar to the trade mark where there B exists a likelihood of confusion on the part of the public. The Article goes on to specify prohibited acts.

Referring to previous case law (*Arsenal Football Club plc v Reed* (2002) C-206/01, *Anheuser-Busch Inc v Budejovicky Budvar, narodni podnik* (2004) C-245/02; [2004] ECR 1-10989, *Adam Opel AG v Autec AG* [2007] IP & T C 408; [2007] ECR I-1017), the ECJ ruled that a proprietor could only prevent the use of a sign by a third party if the following four conditions are satisfied: use must be:

D (a) in the course of trade;

(b) without the consent of the proprietor of the mark;

(c) in respect of goods or services which are identical to those for which the mark is registered; and

E (d) affect or be liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods or services.

F Celine SARL denied that the sign was being used 'in relation to goods'. The ECJ held that 'the purpose of a company, trade or shop name is not, of itself, to distinguish goods or services … where. [it] is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being 'in relation to goods or services' within the meaning of G Article 5(1) of the Directive'. However, if the sign is also affixed to goods which are marketed or is used in such a way that a link is established between the sign and the goods or services, there is use 'in relation to goods or services'. Such use of a sign may damage the trade mark's ability to act as a guarantee of origin.

H ECJ Judgment

The ECJ also confirmed that under Article 6(1)(a) of the Directive, a trade mark proprietor cannot prevent a third party from using his own name or address in the course of trade where that third party uses it in accordance with I honest practices. This provision is not limited to the names of natural persons (*Anheuser-Busch*, paras 77–80).

'Honest practices' equate to a duty to act fairly in relation to the legitimate interests of the trade mark proprietor. A court must consider the extent to

which the use of the third party's name is understood by the relevant public as indicating a link between the third party's goods or services and that trade mark proprietor and also whether the trade mark concerned enjoys a certain reputation in the Member State in which it is registered and its protection is sought.

The ECJ confirmed this 'two stage' test. The court must first consider Article 5 including whether use of a company name, trade name or shop name affects or is liable to affect the functions of the mark. Should that be the case, Article 6(1)(a) of the directive can operate as a bar to such use being prevented only if the use by the third party of his company name, trade name or shop name is in accordance with honest practices in industrial or commercial matters.

Commercial implications for trade mark holders

The ECJ has confirmed earlier case law concerning trade mark 'use'. In summary, there is little a trade mark owner can do faced with a third party using a mark as its own company name, trading name or shop name providing it is doing so in accordance with honest practices.

However, new legislation to be introduced on 1 October 2008 will allow any person to object to the registration of a company name if it is the same as a name in which that person has goodwill, or if they believe that the company's name is so similar that it would be likely to be misleading (s 69 of the Companies Act 2006) this should provide a useful mechanism for getting in early to enforce rights against companies seeking to use the same or a very similar name.

[80] In this case can we say that the use by the corporate defendants' name is in accordance with honest practices in industrial or commercial matters. Similarly, in this case the learned judge held that the adoption and hence usage of 'skyworld'' by the parties for purposes of their corporate name as well as project name was in fact coincidental. The defendants did not purposely adopt the same to imitate or interfere with the plaintiffs' business and what more; by way of unlawful means. With due respect we did not think so. Besides what had been adduced by the plaintiffs seen above, there the plaintiffs had also adduced incontrovertible evidence in establishing that the legitimacy of the Sky World City Sabah project is suspect, inter alia, the police are investigating the developer's activities believed to be a fraud as the Sky World City Sabah project was reported as being a 'property investment syndicate' which had 'no approval to undertake and market the project.

[81] We agreed with the plaintiffs that the defendants are not genuine traders and are in fact tortfeasors attempting to ride on the plaintiffs' goodwill in the

SkyWorld names and marks. The defendants have used the infringing names and Mark to prey on unsuspecting investors to invest in a project that was not approved by the relevant authorities. In this regard, the learned judge had erred in failing to appreciate the above crucial evidence adduced when dismissing the plaintiffs' claims.

[82] It was held by this court, in *Y-TEQ Auto Parts (M) Sdn Bhd v X1R Global Holding Sdn Bhd (formerly known as Quantum Global Far East) & Anor* [2017] 2 MLJ 609 and subsequently in *Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal* [2016] 5 MLJ 768, that a tortfeasor is not entitled to obtain the benefit of the goodwill of a trade mark holder, Hamid Sultan JCA held:

> [8] It is well established that the Scheme of TMA is to permit traders to register their trade mark in orderly fashion, and the Act does not permit tortfeasors to obtain the benefit of the goodwill of a trade mark holder under the Common Law or the Trade Marks Act, notwithstanding that it is registered in different class.

[83] Based on the foregoing, we therefore found the first plaintiff's had proven their claim against the defendants for trade mark infringement.

PASSING OFF

[84] With regard to the claim for passing off, the learned judge held that while the plaintiffs have the requisite goodwill and reputation stemming from their promotional efforts, the plaintiffs had failed to establish that their goodwill is well-known. As a result of the above, the plaintiffs' claim against the defendants for unlawful interference with trade was also dismissed.

[85] It is trite that the law of passing off is a tort which essentially consists of some sort of invasion of the plaintiff's goodwill. The following cases have explained the meaning of goodwill:

(a) goodwill has been described by Lord MacNaghten in the House of Lords case of *The Commissioners of Inland Revenue v Muller & Co's Margarine Ltd* [1901] AC 217 at pp 223–224, as an 'attractive force which brings in custom';

(b) in *AG Spalding Brothers v AW Gamage, Ltd* [1914-1915] All ER Rep 147 at p 150, Lord Parker in the House of Lords held that goodwill is attached to a business and not to a mark or get up; and

(c) LP Thean JA explained in the Singapore Court of Appeal case of *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 2 SLR 550, at paras 45–50, that goodwill, unlike reputation, does not exist on its own but must be attached to a business.

[86] The classic case of *Reckitt & Colman Products Ltd v Borden Inc.* [1990] 1 WLR 491 'Jif Lemon' lays down the trinity of criteria to be satisfied for the tort of passing off to be made out namely the existence of goodwill, requirements of misrepresentation and damage or loss caused ('Classic Trinity'). The criteria are as follows:

(a) the plaintiff has goodwill or reputation attached to the goods or services which the plaintiff supplies in the mind of the purchasing public by association with the get-up, brand name, trade description or features of labelling or packaging (which is distinctive of the plaintiffs goods or services);

(b) the defendant has misrepresented to the public which leads or is likely to lead the public to believe that the defendant's goods or services are the goods or services of the plaintiff; and

(c) the plaintiff must prove that he suffers, or in a *quia timet* action, he is likely to suffer damage by reason of the defendant's misrepresentation.

[87] In passing off, the protection provided by the law is not only limited to the plaintiffs' registered marks but rather it extends to the goodwill in the plaintiffs' business and trade (*Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465, FC at p 475 (para 23)).

[88] The learned judge failed to appreciate that the plaintiffs claim in passing off stems from the corporate defendants' adoption of the SkyWorld Names and Marks, and not only confined to the SkyWorld registered trade marks per se. It is trite law that a claim in passing off can be grounded on the defendant's misrepresentation arising from the use of a confusingly similar corporate or trade name (*Revertex Ltd & Anor v Slim Rivertex Sdn Bhd & Ors* [1991] 1 MLJ 508 at p 511).

[89] Based on the aforesaid, we found the learned judge erred in law and in fact when he held that the plaintiffs have not 'acquired such well-known reputation or goodwill which is connected with their property development business' despite concluding that the plaintiffs' 'promotional efforts seem sufficient to confer the requisite reputation and goodwill ...'. It is trite that there is no requirement that the plaintiffs' goodwill must be well-known. The plaintiff is only required to show that the business identifiers (in this case the SkyWorld names and marks) are distinctive of the plaintiffs (*White Hudson & Co v Asian Organization Ltd* [1965] MLJ 186 (PC) at p 188). In this case the plaintiffs have acquired the requisite and sufficient goodwill in the SkyWorld names and marks through their extensive and substantial advertising and promotional activities and investments (*Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6

MLJ 465 (FC) at p 489 (para 75)). We found the learned judge failed to sufficiently appreciate the following evidence which goes to prove that the plaintiffs do possess the requisite goodwill and reputation at all material times:

(a) the plaintiffs have expended huge sums of investment, totaling about RM22.295m (for three years) for their promotional and marketing activities since their inception;

(b) the plaintiffs promote their business and property development projects in Malaysia through the use of their website, social media accounts, emails, SMSes, electronic direct mailers, newsletters, newspapers and magazines, radio, emails, SMSes, electronic direct mailers, newsletters, newspapers and magazines, radio, brochures and catalogues:

(i) the estimated gross development value ('GDV') of the plaintiffs' property development projects through the use of and by association with the SkyWorld names and marks are substantial; and

(ii) the plaintiffs have received numerous international and national awards and accolades in recognition of their outstanding service and high-quality developments during the span of four years.

(see, SP2's witness statement at pp 356–365, *Ikatan Teras Bersama* (*Jld* 2)).

[90] It was submitted that there is no legal requirement that the plaintiffs and the corporate defendants must be engaged in an identical or common field of business to succeed in passing off (*Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585), CA at p 666 (para 190)). Notwithstanding that the corporate defendants may not be in the same or common field or activity (which is denied), the corporate defendants would still be considered as engaging in a business that is of an 'allied field' (namely, property development for tourism purposes) as that of the plaintiffs' business and therefore their use of the infringing names and marks would inevitably amount to a misrepresentation *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd* [1993] 1 MLJ 55 at p 59; [1996] 2 BLJ 519 at p 523 (para 10).

[91] We agreed with the submission because the law imposes an obligation on the corporate defendants as a business newcomer to ensure that no confusion would arise from the use of the infringing names or marks (*Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal* [2016] 5 MLJ 768, CA at p 784 (para 26)). In this case the defendants have clearly failed to discharge this obligation through their use of the infringing names and marks, considering that they are in the same or allied field as the plaintiffs.

UNLAWFUL INTERFERENCE WITH TRADE

[92] We agreed with the plaintiffs' submission that once the plaintiffs have established their claim(s) for trade mark infringement and/or passing off, it is a natural consequence that the tort of unlawful interference with trade will also be made out (*Hew Chai Seng (t/a Pertiland Trading Co) v Metronic Integrated System Sdn Bhd & Anor* [2017] 7 MLJ 1 at p 15 (para 45)). The High Court has referred to the case of *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise* [2009] 3 MLJ 525; 8 CLJ 130 which held that there was copyright infringement by the defendant and hence there is unlawful interference with trade and business. The corporate defendants' intention is not relevant in cases where trade mark infringement and passing off is involved (*Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd* [1986] 1 MLJ 130).

DAMAGES

[93] In *Reckitt & Colman Products Ltd v Borden Inc* Lord Oliver held that:

> He must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damages by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant goods or services is the same as the source of those offered by the plaintiff.

[94] In *Seet Chuan Seng & Anor v The Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770; [1994] 3 CLJ 7, the Supreme Court held that:

> In an action for passing off, damage is also an essential element of the Tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of exclusive use of the name.

[95] Similarly in the case of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358; [2004] 3 CLJ 815, the Court of Appeal held as follows:

> It is also a perquisite that the said misrepresentation had deceived or is likely to deceive and that the representation respondents are likely to suffer damage by such deception (The Law of Passing Off Unfair Competition by Misrepresentation by Christopher Wadlow, 3rd Ed, p 294) But where the products are the same or similar as in this case, damage is readily inferred (see Chuan Seng & Anor, JC Eno, Ltd).

[96] In the present case, the corporate defendants would be considered as engaging in a business that is of an 'allied field' (namely, property development for tourism purposes) as that of the plaintiffs' business and therefore their use

of the infringing names and marks would inevitably amount to a misrepresentation. In other words, the defendants and plaintiffs are in competition with one another, therefore damages are readily inferred. However, we found there is no evidence that the plaintiffs have suffered any loss or damage caused by the defendants. The plaintiffs have not shown that defendants were associated with the plaintiffs in any way. The defendants formed their companies for their tourism project in Sabah and plaintiffs are already selling their residential and commercial lots to the public in the Klang Valley. In this context, the learned judge did not err in holding that the plaintiffs did not suffer any damage.

CONCLUSION

[97] Based on the aforesaid, it is our unanimous decision that plaintiffs' appeal is allowed. Consequently, the plaintiffs' claim for prayers 1 to 9 in the statement of claim is allowed and with costs of RM70,000 (here and below) to be paid by the defendants to the plaintiffs subject to allocator. The High Court decision is set aside.

Order accordingly.

Reported by Ashok Kumar